

2021 Mayor's Recommended Budget Revenues by Category¹

Category	2020 Council Adopted ²	2021	\$ change	% change
Charges for Sales	17,162,536	18,797,335	1,634,799	10%
Charges for Services	558,821,860	553,079,112	(5,742,748)	-1%
Contributions	4,100,781	4,243,117	142,336	3%
Federal Government	33,678,328	27,002,444	(6,675,884)	-20%
Fines and Forfeits	6,909,080	5,453,714	(1,455,366)	-21%
Franchise Fees	34,379,000	33,929,000	(450,000)	-1%
Interest	7,309,149	3,850,000	(3,459,149)	-47%
Licenses and Permits	47,808,577	44,488,232	(3,320,345)	-7%
Local Government	4,149,518	3,733,156	(416,362)	-10%
Long-Term Liabilities Proceeds	73,582,000	90,024,000	16,442,000	22%
Other Misc. Revenues	30,932,873	24,617,132	(6,315,741)	-20%
Property Taxes	311,603,093	325,380,000	13,776,907	4%
Rents	55,067,300	56,308,160	1,240,860	2%
Sales and Other Taxes	93,683,722	12,175,899	(81,507,823)	-87%
Special Assessments	33,626,228	34,647,484	1,021,256	3%
State Government	113,791,440	110,270,461	(3,520,979)	-3%
Grand Total³	1,426,605,485	1,365,495,812	(61,109,672)	-6%

¹The revenue totals exclude transfers and independent boards (Board of Estimate and Taxation, Municipal Building Commission, Minneapolis Parks and Recreation Board).

²In July 2020 the Mayor proposed and the Council adopted a revised budget that lowered expenditure budgets across the enterprise in response to the public health and economic crises. These resolutions only adopted new expenditure levels, therefore the current adopted revenues for 2020 are used here.

³This table includes \$126M in Revenues related to capital projects. By definition, Current Service Level (CSL) expenditures include only operating budgets, so capital related expenditures are excluded from that data.

2021 Mayor's Recommended Budget Revenues by Fund Type¹

Fund Type	2020 Council Adopted²	2021	\$ change	% change
General Fund	474,386,388	482,705,174	8,318,786	2%
Utilities	304,930,016	312,374,410	7,444,394	2%
Parking	73,163,481	59,117,000	(14,046,481)	-19%
Special Revenue	191,958,732	104,713,854	(87,244,878)	-45%
Capital	91,549,709	87,684,000	(3,865,709)	-4%
Debt Service	70,520,074	71,818,631	1,298,557	2%
Internal Service	220,097,085	229,586,177	9,489,093	4%
Grand Total³	1,426,605,485	1,365,495,812	(61,109,672)	-6%

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³This table includes \$126M in Revenues related to capital projects. By definition, Current Service Level (CSL) expenditures include only operating budgets, so capital related expenditures are excluded from that data.

**2021 Mayor's Recommended Budget
City Operating Expenditures by Service¹**

	2020 Adopted Ongoing	2021 Current Service Level	\$ Change	% Change
Attorney	19,208,880	18,850,427	(358,453)	-2%
Convention Center	41,768,414	42,002,535	234,121	1%
Coordinator ³	206,375,733	220,155,282	13,779,549	7%
CPED	49,879,256	56,690,000	6,810,744	14%
Fire	70,843,472	71,042,988	199,517	0%
Health	22,333,445	23,110,466	777,021	3%
Other ⁵	52,368,560	54,269,488	1,900,928	4%
Other City Services ⁴	28,050,167	29,545,443	1,495,276	5%
Police	190,444,683	190,300,736	(143,947)	0%
Public Works	352,787,892	368,893,720	16,105,828	5%
Regulatory Services	25,509,156	25,670,365	161,209	1%
Grand Total	1,059,569,657²	1,100,531,450	40,961,792	4%

Note: In July 2020 the Mayor proposed and the Council adopted a revised budget that lowered expenditure budgets across the enterprise in response to the public health and economic crises. These reductions reduced spending and impacted service levels. This table compares the 2020 current service level plus ongoing spending added in 2020 to the current service level in 2021, rather than the revised 2020 budget.

¹ Excludes Independent Boards, Transfers, Debt, and Capital Improvement

² Excludes \$36.6 million one-time expenditures from the 2020 Council Adopted expenditures

³ Includes 311, 911, Communications, Emergency Management, Finance and Property Services, Human Resources, IT, Intergovernmental Relations, and Neighborhood and Community Relations

⁴ Includes Assessor, City Clerk/Elections/Council, Civil Rights, Contingency, Internal Audit, Mayor

⁵ Includes Non-departmental, Health and Welfare, Liability, Contingency and Pensions, Workers Compensation

2021 Mayor's Recommended Budget
City Operating 2021 Current Service Level Expenditures and Revenues¹

Fund Type	Expenditures	Revenues
General Fund	500,758,865	482,705,174
Enterprise	260,368,013	321,772,910
Special Revenue	124,640,657	104,713,854
Internal Service	214,763,915	229,586,177
Grand Total	1,100,531,450	1,138,778,114

¹ Excludes Independent Boards, Transfers, Debt, and Capital Improvement

2021 Mayor's Recommended Budget Six-Year Capital Investment Allocation

Funding	2021	2022	2023	2024	2025	2026	6-Year Total	Percent of Total
Net Debt Bonds*	17,089,000	18,018,000	19,251,000	20,586,000	22,025,000	23,567,000	120,536,000	10.4%
Parks & Streets - Bonding	32,161,000	32,217,000	31,969,000	31,619,000	31,165,000	30,608,000	189,739,000	16.4%
Parks & Streets - Other Sources	11,287,000	11,690,000	12,406,000	13,234,000	14,174,000	15,228,000	78,019,000	6.7%
Public Works Enterprises								
Sanitary and Storm Sewers	50,061,000	46,022,000	46,938,000	32,909,000	32,925,000	32,104,000	240,959,000	20.8%
Water Infrastructure	24,525,000	29,170,000	32,835,000	30,850,000	21,985,000	15,950,000	155,315,000	13.4%
Solid Waste & Recycling	-	800,000	600,000	-	-	-	1,400,000	0.1%
Parking	5,000,000	4,300,000	5,440,000	5,140,000	5,140,000	5,140,000	30,160,000	2.6%
Fleet Facilities	566,000	4,337,000	3,057,000	137,000	145,000	-	8,242,000	0.7%
Subtotal	80,152,000	84,629,000	88,870,000	69,036,000	60,195,000	53,194,000	436,076,000	37.6%
Other Requested Sources**	47,778,000	57,329,000	58,325,000	40,735,000	78,788,000	48,022,000	330,977,000	28.5%
Art in Public Places - Bonding	750,000	765,000	780,000	795,000	810,000	825,000	4,725,000	0.4%
Total	189,217,000	204,648,000	211,601,000	176,005,000	207,157,000	171,444,000	1,160,072,000	100.0%

*Net Debt Bonds are eligible for improvements including to street infrastructure, public grounds and facilities, City Hall, and other projects.

**Certain external funding sources such as Municipal State Aid and matching grants may be revised based on new information.

2021 Mayor's Recommended Budget Property Tax Levies

Mayor Frey is recommending a maximum property tax levy for 2021 of \$395,827,000. This represents a 5.75% increase over 2020. Specific levy recommendations are:

	2020 Council Adopted	2021 Mayor's Recommendation	\$ Change	% Change
General Fund	228,149,000	247,405,000	19,256,000	8.44%
Minneapolis Park Board	69,506,000	70,326,000	820,000	1.18%
Debt	43,830,000	47,080,000	3,250,000	7.42%
Pensions	14,810,000	14,810,000	-	0.00%
Municipal Building Commission	5,414,000	3,496,000	-1,918,000	-35.43%
Board of Estimate & Taxation	-	110,000	110,000	-
Teacher's Retirement Association	2,300,000	2,300,000	-	0.00%
Library / New Building Debt	10,300,000	10,300,000	-	0.00%
Total Property Tax Levy	374,309,000	395,827,000	21,518,000	5.75%

2021 Mayor's Recommended Budget Combined Utility Bill

Mayor Frey recommends no increase for Water and Solid Waste & Recycling rate. Slight increases to Sanitary Sewer and Stormwater rates are necessary to support increased pass-through charges from the Metropolitan Council and additional costs of capital improvements to the Central Storm Tunnel respectively. Overall the average residential customer would experience a 2% increase to their combined utility bill.

See below for the Monthly and Annual costs for the average residential utility customer.

Utility	2020	2021 Monthly Average	2021 Annual Average	2021 Monthly Dollar Change	2021 % Change
Water (1)	31.26	31.26	375.12	-	0%
Sanitary Sewer	33.54	35.84	430.08	2.30	7%
Stormwater	13.42	13.62	163.44	0.20	1%
Solid Waste/Recycling (2)	30.08	30.08	360.96	-	0%
Total	108.30	110.80	1,329.60	2.50	2%

(1) The average household rate for water is based on 7 units of consumption at \$3.68 per unit plus a \$5.50 fixed charge. Sanitary rates are based on 6 units of water consumption at \$4.84 per unit plus a fixed charge of \$6.80. Stormwater rates are based on 1 equivalent Stormwater unit of 1,530 square feet of impervious surface.

(2) The solid waste rate is based on a \$25.08 monthly charge with a large recycling cart fee of \$5.00. Customers can substitute a small cart with a \$2.00 fee.

2021 Mayor's Recommended Budget Estimated Property Tax Impacts

Minneapolis Net Tax Capacity, that is the city's tax base, is expected to grow by 12.1% for the 2021 tax year, mitigating the impacts of an overall increase in the levy. While market values grew across all property types, the overwhelming majority of growth in the tax base is concentrated in apartment and commercial property types. As a result of these parcels take on more of the overall property tax burden.

The figures below show estimated changes to the City portion of the property tax bill for those properties valued at the 25th, 50th, and 75th percentiles in each property class. Precise impacts on individual tax bills will be dependent on final fiscal disparities distributions as well as property tax levies determined by Hennepin County and the Minneapolis Public Schools.

Non-Homestead Residential

<u>Market Value</u>	<u>Tax in 2020</u>	<u>Tax in 2021</u>	<u>Change</u>	<u>% Change</u>
158,500	872	904	32	3.7%
220,000	1,257	1,255	(2)	-0.1%
302,500	1,741	1,725	(15)	-0.9%

Assumes lower value residential property market value increased by 9.3% and higher value increased by 4.5%

Homestead Residential

<u>Market Value</u>	<u>Tax in 2020</u>	<u>Tax in 2021</u>	<u>Change</u>	<u>% Change</u>
220,000	1,179	1,158	(20)	-1.7%
281,500	1,587	1,540	(47)	-3.0%
380,500	2,234	2,154	(81)	-3.6%

Assumes lower value residential property market value increased by 3% and higher value increased by 1.5%

Apartment

<u>Market Value</u>	<u>Tax in 2020</u>	<u>Tax in 2021</u>	<u>Change</u>	<u>% Change</u>
552,500	3,653	3,915	263	7.2%
1,015,800	6,566	7,199	632	9.6%
2,364,100	15,515	16,753	1,238	8.0%

Assumes median apartment property market value increased by 13% and higher value increased by 13.8%

Commercial

<u>Market Value</u>	<u>Tax in 2020</u>	<u>Tax in 2021</u>	<u>Change</u>	<u>% Change</u>
267,300	1,706	1,775	69	4.0%
521,000	3,624	3,727	103	2.8%
1,178,500	8,730	8,786	56	0.6%

Assumes median commercial property market value increased by 8.2% and higher value increased by 5.9%

Minneapolis property tax payers should always keep in mind the State of Minnesota [Property Tax Refund](#) and [Renter's Property Tax Refund](#) programs.